
Market Roundup

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A Vista with No View of an EU Sunset

By Clay Ryder

The European Union's competition regulator has warned Microsoft it will not be allowed to sell the new Vista operating system in Europe if it comes pre-loaded with certain features. Neelie Kroes, the EU's antitrust commissioner, has sent a letter to Microsoft's CEO citing concerns much along the same lines of those in the ongoing dispute between the EU and Microsoft over other software delivered with the current version of Windows. The antitrust commissioner's office has stated that the EU is concerned with Microsoft's plans for Vista's integrated Internet search, digital rights management (DRM) and document management software. Separately Google, Symantec, IBM, Sun, and Oracle have stated that they are concerned Microsoft could use its Internet Explorer 7 Web browser to unfairly direct computer users to Microsoft's own search service or use DRM to lock up documents in such a fashion that non-Microsoft office productivity applications would not be able to read the files. The genesis of the letter from the commissioner was that Microsoft had asked EU regulators to set out any Vista concerns it may have. Issues related to Vista remain separate from the Microsoft and EU dispute over Brussels' 2004 anti-competitive ruling against the company.

These days it seems whenever Microsoft twitches, the industry feels the quaking steps of a giant, and EU regulators swing into action to protect its political base from software malfeasance perpetrated by the Redmond Goliath. Although much of the discussion will entail how regulators are just looking out for the best interest of consumers and the market as a whole, after nearly a decade of this lost battle of the marketplace being replayed in the courtroom, it becomes difficult at times to understand how this is really going to help the bulk of consumers. With Windows 95, the first consumer-based Internet-oriented operating system along with Office 97, the first Internet-oriented office productivity suite, Microsoft made the conscious decision to make it easy to access the Internet and share information, in part due to customers' demands that software be easier to use. In some respects, this is where much of the trouble started. Microsoft obliged its customers; unfortunately, this ease of use came at the price of social reprobrates exploiting this ease of sharing to develop a cornucopia of viruses, bug exploits, Trojan horses, and other just plain bad stuff. Anti-bad guy companies such as Symantec, McAfee, and others came to the rescue with the malicious code police. Consolidation of the once very disparate worlds of the LAN and the Internet through integration of Explorer and Internet Explorer gave users a unified view of information resources that they were trying to share. Of course Navigator and HotJava aficionados didn't like that, but Grandma, techno-phobes, and many a mere mortal did.

Now that desktop users are crying out for stronger security in their OS to protect them, Microsoft has responded with firewalls, software updates, and a future with anti-spyware and DRM to enhance security. Of course this torques off the competition who want all of this security to be third-party. Businesses have long complained that they are required to become IT center-of-excellence in order to make good use of their IT investment as the cost of diverting them from their business core competencies. Why should consumers be forced to do the same? Some will claim that this integration comes at the price of third-party software having a harder time getting sold since Microsoft will bundle everything. In many cases this has been true, but it is also what many casual users in the marketplace have been asking for: something that is easy to use. But to us the bigger issue is the fixation on a platform with diminishing importance. Huh? These arguments are predicated on a platform (desktops and laptops) that will continue to diminish in proportion to the totality of information access devices (PDAs, phones, iPods, game consoles, etc.) deployed in the next few years. We don't see equal outrage that most telephones

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The Sageza Group, Inc.
32108 Alvarado Blvd #354
Union City, CA 94587
510-675-0700 fax 650-649-2302
London +44 (0) 20-7900-2819
Milan +39 02-9544-1646

cannot be taken from one mobile supplier to another in North America. Where is the demand for ease of third-party software installation on the iPod, PDAs, phones, game consoles? These are the consumer platforms of the early 21st century. So while regulators seem hell bent on defining what Vista will be, they may be overlooking the true growth area of the market in the process. If this were to happen, we would likely be having the same discussion, only about phones, PDAs, and so forth, in the near future, irrespective of whether Microsoft is the one accused of holding that monopoly.

IBM Technology Intrudes on Hacker Attacks

By Joyce Tompsett Becknell

IBM announced new intrusion detection capabilities to help detect, prevent, and analyze hacker attacks. The new tool, nicknamed "Billy Goat," provides early detection of work attacks, and according to IBM, greatly reduces the false alarm rate. In essence, the tool portrays itself as a collection of servers on the network. Servers on the network do not communicate with the tool, but random server attacks are likely to find it. As soon as the tool is attacked, it identifies the attacking systems and fences them off, isolating worms and viruses before they can spread further. IBM believes that false alarms are minimized because of an architecture that combines an extensive view of the network, spoofed service interaction with potential attackers, and a clear focus on detecting automated attacks. Billy Goat creates a virtual environment for worms that feigns services and records attempted connections, thereby tricking worms into revealing their identity. Worm-infected machines in the network are quickly identified. The technology will be available through IBM's On Demand Innovation Services (ODIS), the partnership between IBM Research and Business Consulting Services (BCS) that combines the technical expertise of Research with the business insight of the consulting side of IBM. The ODIS team offers security and privacy services related to biometrics, digital rights management, identity management, intrusion prevention, privacy protection, and secure systems.

The pursuit of security is a never-ending chase, as new forms of attacks will arrive with advances in technology. The trick is to approach things not from a device or application angle, but with an architectural approach that understands how systems function and how to use the architecture of worms and viruses to circumvent them. In essence, this technology is the machine equivalent of undercover police officers masquerading as users on the Web in order to catch criminals who intend to harm them. In this case, the tool relies on the automatic, self-propagating nature of viruses and worms, which is currently one of the greatest threats to data center security. While automatic self-propagation is the worm's strength, it can also be turned to become its weakness, which is the approach IBM has taken. We anticipate this tool will become an important weapon in the network security expert's arsenal. It is up to IBM and their ODIS team to help customers implement it within their environment effectively. We don't anticipate it in appliance form any time soon, but ultimately a segment of the security market will adopt this approach.

Many of the interesting products with IBM DNA in them are emerging from places other than the traditional product groups. A look at services gives the clearest example of the trend. Traditionally services offerings included some degree of general purpose equipment with some customizable software, combined with the consultant's business knowledge, optimized to fit a particular environment. IBM is changing that to include hardware and software designed specifically for a particular customer, or products that do not say IBM on them anywhere, but have IBM DNA incorporated into them. In the same way that Power.org allows companies to take the underlying Power architecture in multiple individual directions, ODIS allows customers to take underlying IBM technologies into multiple directions within their organization. While this is currently a small part of IBM's overall business, we believe that this semi-bespoke approach to computing is going to become a significant component of IBM's business over time and will have an important role in data center computing. There are maybe a handful of other technology companies who have the ability to do this. We believe that microprocessor technology, biotechnology, and some consumer electronics are the other areas in which this approach will be found in some form. Financial services and retail are already taking this approach with customizable offerings to customers, and it is spreading into technology with all sorts of interesting ramifications to the industry. Keep watching this space as we will continue to pursue this with interest.

Java Mobile Technology Takin' It to the Streets

By *Susan Dietz*

Sun recently announced the launch of mobile.java.com, a website for those who have Java-enabled mobile devices. The website contains multiple practical applications, plus some gaming applications. The more practical apps include MapQuest Mobile, Mobile GMaps, and Vindigo City Guide, among others. Consumers who wish to add their own applications to the Java offerings can submit their requests via a website. Java developers can sell and deliver their games, ringtones, videos, and other applications directly to mobile phone users worldwide on any network. For billing purposes, Sun has chosen Bango, which will bill consumers directly for their download content. Bango's technology enables developers retain flexibility and control over product offerings and pricing by integrating directly with operator billing systems. This approach operates in conjunction with mobile carriers' content portals and offers consumers a range of ways to pay for their downloads. Bango can charge downloads to the user's phone bill, credit or debit card, or pre-pay account, or at retail outlets. This flexibility enables Java to concentrate on application development.

The website has a small tab, "About Java Technology," that links to a one-page primer about the development and applications of Java, written in a user-friendly, non-Geekspeak way. However, there is no list of Java-compatible phones, so it's not clear to consumers whether they could actually use the applications. Because people don't tend to think about the operating system on their mobile telephones, many consumers may have no idea whether their telephones are Java-enabled in the first place. Another potential problem is that by having games lead the way in applications, Sun seems to be trivializing Java technology. Semi-useless games aren't exploiting the range of applications that Java is capable of. We believe that Sun is running the risk of once again relegating the perception of Java to that flashing stock ticker that became ubiquitous on desktops throughout 1996, only this time on the phone. A third potential problem with the "push the fun" strategy is that Sun is leading with gambling games, which may be offensive to some cultures.

With over three billion reported Java-powered mobile devices in use, this application base may seem very attractive to developers. Having those same applications being pre-screened by Java may seem very attractive to consumers. However, the consumers need to know that the website is there. "If you build it, they will come" may work for Hollywood, but average people need to have some sort of a clue. Surfing some of the service and handset provider websites doesn't uncover any link to Java mobile services, nor is there any clue on those sites as to which devices are Java-enabled. This would seem to be a glaring omission. Hence we think that there should still be some concerted effort to get the word out, especially if one of the reasons for the website is to help publicize the guys who are making the applications. It's generally difficult to sell something if your product is essentially invisible.